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Specializing in Community Television

November 15, 1995

NOV 2 4 1995

Office of the Secretary
Federal Communications Commission
1919 M Street, NW
Washington, DC 20554

DOCKET FILE COPY ORIGINAL

Ladies and Gentlemen:

Enclosed are five copies—one copy for each Commissioner—of the *Comments of John Kompas and Jackie Biel, KB Limited*, in MM Docket no. 87-268, the *Fourth Further Notice of Proposed Rule Making and Third Notice of Inquiry* in the Matter of Advanced Television Systems and Their Impact upon the Existing Television Broadcast Service.

Today we also filed an original plus five copies of these comments through our attorney, Benjamin Perez. The enclosed copies are identical except that the charts in the Appendix are in color. We respectfully request that these color copies be delivered to the Commissioners.

Thank you for your consideration.

Yours very truly,

John Kompas
John Kompas

Jackie Biel
Jackie Biel

No. of Copies rec'd 0+4
List ABCDE

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554

NOV 2 4 1995

In the Matter of	)	
	)	
Advanced Television Systems	)	
and Their Impact Upon the	)	MM Docket No. 87-268
Existing Television Broadcast	)	
Service	)	
Fourth Further Notice	)	
of Proposed Rule Making	)	DOCKET FILE COPY ORIGINAL
and Third Notice of Inquiry	)	

COMMENTS OF JOHN KOMPAS AND JACKIE BIEL
KB LIMITED

John Kompas and Jackie Biel (hereinafter referred to as "Kompas and Biel"), owners of KB Limited, a Wisconsin Corporation specializing in consulting, marketing, and information services for the low power television ("LPTV") industry, hereby submit their comments in the *Fourth Further Notice of Proposed Rule Making and Third Notice of Inquiry ("NPRM")* in the Matter of Advanced Television Systems and Their Impact upon the Existing Television Broadcast Service. Kompas and Biel seek to comment on what they perceive to be inequities in the Federal Communications Commission's treatment of LPTV stations throughout the Advanced Television proceeding, and the adverse effects that will result for the LPTV industry if the present policies are not changed.

I. The Commenters

Kompas and Biel have been working in the LPTV industry since 1981, before the final rules for the LPTV service were adopted in the *Report and Order* of March 4, 1982.

Ms. Biel is the author of *Low Power Television: Development and Current Status of the LPTV Industry*, published by the National Association of Broadcasters in July 1985. Kompas and Biel published *The LPTV Report*, a monthly news magazine for the LPTV industry from September 1986 to October 1992. They have been publishing *Community Television Business*, a bi-weekly newsletter for the industry, since June 1994. Ms. Biel is the editor of both publications. Since April 1993, she has also written a monthly column on LPTV issues for *Television Broadcast*, a monthly television trade magazine.

Mr. Kompas spearheaded the formation of the LPTV industry's present trade organization, the Community Broadcasters Association, in 1984 and served six terms as the Association's president. He has testified twice before the U.S. Senate Commerce Committee on the importance of LPTV stations to their local communities. He has also done extensive consulting for LPTV stations around the country on every aspect of station operations.

Kompas and Biel are also former partners in W43AV, an LPTV station licensed to Waukesha, Wisconsin.

In November 1995, KB Limited entered into an agreement with Nielsen Media Research and Network One, a 24-hour broadcast satellite program network launched in December 1993 and presently serving approximately 45 LPTV stations, to develop an accurate audience measurement system for LPTV stations. KB Limited is supplying the geographical mapping that identifies the boundaries of LPTV station coverage areas. In addition, KB Limited provides specific demographic information about the viewers within those areas, including income, age, gender, education, and occupation. The information is being used to organize national advertising sales for Network One affiliates and for groups of LPTV stations with similar demographics to create key demographic sorts for national advertisers who want to buy spots within targeted, demographically-driven programs.

Recently, KB Limited began representing LPTV stations to national advertisers. To date, agreements have been signed with Kelloggs, Disney, Dodge, and Wendy's, among many others.

Because of the length of time that Kompas and Biel have been associated with the LPTV industry, as well as the variety of ways that they have been involved, they are uniquely qualified to comment on this proceeding.

II. The Goals of the Federal Communications Commission in Establishing the LPTV Service

The goals of the Federal Communications Commission ("FCC") in establishing the LPTV service were two: 1) to more completely serve the public interest by bringing *local* television service to small, rural communities and ethnic or special interest groups in larger cities that were unserved or underserved by existing full power television stations; and 2) to increase the diversity of viewpoints available to the American people by opening television broadcast ownership to a greater number of citizens, particularly minorities and women.[1]

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[1]*Report and Order (R&O),* In the Matter of an Inquiry into the Future Role of Low Power Television broadcasting and Television Translators in the National Telecommunications System, Adopted March 4, 1982. ¶80: "of the comparative issues, we shall retain the criterion enunciated in our 1965 *Policy Statement, supra,* that we consider most relevant I the low power context, diversification of control of the media of mass communications." [Emphasis added.]. For this reason the Commission added a comparative preference to applicants that are more than 50% minority-owned. [Ibid.] And, "a primary objective for the low power service, facilitating entry by groups and individuals that are new to the broadcast industry." [Ibid.]

"...the potential exists for each [low power] station to originate some programming targeted to discrete local or regional interests. This is a result that we would encourage." [¶87].

The FCC proposed to accomplish these goals by creating a new television broadcast service that would be considerably less expensive to operate because 1) coverage areas would be smaller and 2) the technical and operational rules that governed Part 73 full power television broadcasters would be considerably relaxed for LPTV broadcasters.

The FCC also created the LPTV service a "secondary" service; that is, if the signal of an LPTV station interfered with the signal of a full power television station, the LPTV station had to either correct the interference, move to another channel, or go off the air. Although the term "secondary" has been used by many parties, particularly the National Association of Broadcasters and the National Cable Television Association, to imply that the programming and community service that LPTV stations provide to their viewers are inferior, the FCC's definition was—and remains—the

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"...the primary considerations that inform our deliberations on all aspects of the ownership policy are that low power may provide an opportunity for new entrants into the telecommunications industry at lower cost than would be incurred in starting full service stations or cable systems." [¶94]

"We believe that low power stations should be subject to a minimum of program-related regulations, so that they might be fully responsive to marketplace conditions. ... In many instances, particularly in rural or remote areas, low power stations will be set up specifically to fill local needs. ... In some urban markets, unserved ethnic enclaves may be targeted for low power service. But in a major market that already receives adequate local coverage from several full service stations, a low power licensee may discover and attempt to fill a need for additional national news, sports, or entertainment programming. Such judgments are properly left to the licensees; it is in their interest, and the public's, to garner audience by attempting to serve unmet needs." [¶103].

"We are not imposing formal ascertainment obligation on low power stations. It is in the nature of low power stations to be familiar with and responsive to the needs of the viewers they serve. Formalizing this would be needless. To be viable in the highly competitive telecommunications marketplace, these small stations will have to react with sensitivity to the needs and desires of their markets." [¶106].

only definition of the "secondary" nature of LPTV stations.[2]

III. The FCC Has Not Given Adequate Consideration to the Potential Role of LPTV Stations in ATV Implementation

However, since the Advanced Television proceeding began in July 1987, the FCC has consistently refused to address the possible role of LPTV stations in the digital television world. First, it did not attempt to calculate the number of existing, licensed LPTV stations that could be accommodated under its 1992 "draft" ATV allocation table.[3] Secondly, it did not attempt to determine how many licensed LPTV stations would be displaced if the draft allocation table were adopted. Third, it failed to allow LPTV broadcasters —many of whom employ dozens of people and provide *essential* services to their communities—to apply for ATV channels in a timely fashion. LPTV licensees must wait to apply until not only all full power television licenses and permittees but full power television *applicants* have been accommodated—regardless of whether or not these full power stations originate, or plan to originate, local programming.[4] In fact, LPTV licensees must wait to apply for ATV channels along with the general public. This means that LPTV stations—which may have been on the air for many years—are at risk of losing their licenses to a member of the public with no experience whatsoever in broadcasting.[5] Kompas and

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[2]*Report and Order*, March 4, 1982, ¶25.

[3]*Second Further Notice of Proposed Rule Making*, MM Docket No. 87-268. Released August 14, 1992.

[4]*Second Report and Order/Further Notice of Proposed Rule Making*, MM Docket No. 87-268, ¶¶8–9.

[5]Under the proposed rules, displaced LPTV stations may apply for available NTSC channels without waiting for a filing window, but when the cut-off date for the nation's transition to ATV has arrived, LPTV stations will have to broadcast entirely in ATV or go off the air. Ibid.,

Biel submit that this is patently unfair and contrary to the Commission's historical policies of protecting the licenses of experienced broadcasters. It is also contrary to the Commission's intention in the *Second Report and Order* that ATV will be most quickly and adequately implemented by experienced broadcasters.[6]

Under the draft allocation scheme, LPTV broadcasters are last in line. The FCC's only apparent reason for this omission is that LPTV stations are secondary in status to full power stations and "do not appear as a class likely to spur ATV implementation in the same fashion [as "eligible broadcasters"].[7]

Under the digital allocation table prepared by the Association for Maximum Service Television and the Broadcasters' Caucus and released in January 1995, LPTV stations were not considered at all. This was a table prepared for the FCC by private parties who have an interest in preventing competition from LPTV broadcasters. Kompas and Biel remind the Commission that it has stated firmly, "...we do not intend to cater to full service licensees' unreasonable fears of competition from low power stations, and fetter the low power service for that reason. We believe that low power can provide competition that stimulates the entire telecommunications marketplace.[8]

¶¶44–45.

[6]Ibid., ¶6. "...existing broadcasters' continued involvement in ATV is the most practical, expeditious, and non-disruptive way to bring improved service to the American public. Existing broadcasters possess the know-how and experience necessary to implement ATV swiftly and efficiently." Kompas and Biel realize that this passage refers to full power broadcasters. However, the underlying logic is violated by the implication that experienced LPTV licensees are less qualified than inexperienced full power permittees and applicants, and no more qualified than the inexperienced general public, to implement ATV.

[7]Ibid., ¶15.

[8]*Report and Order*, March 4, 1982, ¶24.

If the Commission is going to use the resources of private parties, it cannot, as a federal agency, elevate the interests of one competitor over another. It must insist that LPTV stations be included in the allocation scheme as much as is practicable to avoid depriving the public of television service that it has come to rely on and enjoy. At the very least, the effect of ATV allocations to full power broadcasters on licensed LPTV stations who, because of their secondary status, might be displaced should be calculated and the displaced stations be given an opportunity to file for other, unallocated, ATV channels before full power permittees and applicants who are as yet not providing *any* service.

Kompas and Biel believe that [the way this has been handled] is an unconscionable violation of the FCC's public trust, mandated by the Communications Act of 1934, to serve the public interest. The FCC has elevated technology over service, economics over the public's right to information. And by so doing, it violates its own commitment, articulated in the 1982 *Report and Order* establishing the LPTV service, to encourage diversity of ownership in telecommunications, particularly among minorities, and to provide underserved populations with local television service. There is nothing *local* about a minimum 55-mile coverage area. Experience has shown that full power stations serving large regional populations cover the news and events of the smaller towns and groups within their coverage areas only when, as one community broadcaster put it, "there is an ax murder."

In this proceeding's *Second Report and Order/Further Notice of Proposed Rule Making*, the Commission also declined to establish a preference in the ATV proceeding for certain LPTV stations based on the content of their programming.[9] Kompas and Biel believe that the result of this refusal will be to unfairly penalize LPTV stations, particularly those who originate programming. Perhaps the Copmmission plans to initiate such a development in the future.

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[9]Ibid. ¶41.

However, any preferences granted in the future to certain LPTV stations will be too late. Komnpas and Biel urge the Commission to initiate a separate proceeding at once to establish a class of LPTV stations that would be included more fairly in the ATV proceeding.

IV. Spectrum Issues

As for the argument that there are too many LPTV stations to accommodate within the available spectrum, Richard Bogner, a respected engineer and an advisor to the Commission, has shown that it is possible to include as many as three (3) LPTV stations in New York City, the nation's largest market, under an only slightly and perfectly legitimately modified analog ATV allocation scheme. Now that ATV will operate in a digital format, the job of engineering LPTV stations into the allocation tables should be significantly easier because the possibilities of signal interference have been proven to be greatly reduced.

Finally, if the FCC feels that its resources would be strained by the attempt to accommodate the large number of licensed LPTV stations, Kompas and Biel suggest that the Commission follow the lead of Congress and designate a separate class of LPTV stations. The Cable Act of 1992 granted must carry to certain "qualified" LPTV stations. A "qualified" LPTV station is one that provides programming that addresses the "local news and information needs of the community to which it is licensed." The station must also broadcast for at least the minimum number of hours required by the FCC for full power stations under Part 73. And it must meet all obligations required of full power stations under Part 73 with respect to nonentertainment programming, political programming and rates, election issues, controversial issues of public importance, editorials and personal attacks, equal employment opportunity, and children's programming.[10]

[10]Cable Act of 1992, §4.

III. The LPTV Industry Has Fulfilled, and Continues to Fulfill the Goals Established by the FCC in its 1982 *Report and Order* Authorizing the Low Power Television Service.

In 1978, the first experimental LPTV construction permit was issued to John Boler for K26AC in Bemidji, Minnesota. In 1980, the Commission began to accept LPTV applications from the general public. And by 1983, it was issuing construction permits regularly, albeit slowly. Between December 1985 and December 1988, stations began to sign on the air relatively frequently, and the LPTV industry grew at a rate of between 20% and 30% annually, a growth rate that has continued to this day. If the 200 or so public LPTV stations in Alaska are omitted from the equation, the growth rate is close to 50% annually—48.8% to be exact.[11]

Between 1985 and 1989, the number of *commercial, for-profit* LPTV stations operating as independent businesses and providing local programming and local advertising to their communities, grew at an astounding 71% annually![12]

There are now 1,772 LPTV stations operating in the United States.[13] Of these, nearly 400 are operating as commercial, independent stations, providing local programming and local advertising opportunities to their communities. One hundred twenty-four are owned by minorities.[14]

Ninety-six are public or educational stations, the majority of whom also provide local

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[11]KB Limited statistic.

[12]Ibid.

[13]FCC News Release 60600, issued November 9, 1995.

[14]KB Limited statistics.

programming. In addition, many LPTV stations rebroadcast the programming of "mother" LPTV stations in nearby communities. Many of these also originate local programming to more satisfactorily serve their specific communities.

Here are some outstanding examples.

- **WKAG-LP, Hopkinsville, KY.** This station is the only local television service for 65 miles in any direction. It serves a community of some 50,000 people, as well as the U.S. Army's Fort Campbell which comprises some 6,000 military families.

  WKAG broadcasts local news, weather, and sports twice a day; local political and community events; and frequent interviews with local, state, and national political representatives. The station is the main source of news about Fort Campbell for CNN; and recently, the station teamed with journalists from Fort Campbell to provide regular local television coverage of base activities.

  The station employs 27 full time and 20 part time people. In September 1995, WKAG won *nine* awards from the Associated Press for news and features reporting.

- North Georgia Television ("NGTV") operates W43AT and W47BA, both in Dalton, Georgia. It has construction permits for W27BQ in Cleveland, Tennessee and W30BK in Chattanooga, Tennessee. It simulcasts Channel 47's signal over Channel 43 and plans to simulcast the same signal over Channels 27 and 30 when they are built. The Tennessee stations will supplement the simulcast signal with their own local programming.

  NGTV produces daily local news, sports, and weather; a daily community events program with live guest commentary; a weekly live sports call-in show hosted by local high school and college and college coaches, and a daily Spanish language program for Dalton's Hispanic community. Channels 43 and 47 together employ twelve people full time.

- Roger and Glenda Harders recently signed on the air a 17-channel subscription LPTV system in the Fremont-Columbus area of Nebraska. Described as an engineering marvel, the Harders broadcasting system is bringing national programming to a rural area that was too expensive to cable completely. The Harders plan to add local programming to their schedule as early as 1996.

- The Rural Television System ("RTS") is a network of 25 noncommercial, public LPTV stations in California, Nevada, Arizona, Colorado, New Mexico, and Montana. The more than 100 communities served by the RTS network include four Native American groups—the Navajo Nation in northern Arizona, the Salish-Kootenai reservation at Pablo, Montana, the Mescalero Apache tribe in Mescalero, new Mexico, and the Blackfoot Reservation in Browning, Montana.

  Citizen committees in each community choose the PBS programming that they want to air. A "hub" station in Whitehall, Montana receives the programming from satellites and, via an ingenious automated system, sends each RTS community the specific programs that it has requested. Many of the RTS stations also produce local programming for their viewers. Two examples are *Broken Dreams*, a program on date rape that a group of high school kids in Tonopah, Nevada produced; and *The River Lives*, an oral history told by elders of the Salish and Kootenai Native American tribes, produced by K25CL, a noncommercial station in Pablo, Montana.

As for public service, Pablo's Channel 25 sponsors the Kicking Horse Job Corps in which youths from 16 to 24 learn television production by working on live broadcasts. The final exam is a half-hour documentary.

- In New York City, Panasian Communications serves that city's large Korean population with programming in their own language. During the 1990 U.S. Census, the station translated the census questions into Korean and broadcast them over the air. This single local program overcame the distrust and apprehension that many of New York City's Korean immigrants were feeling about the census process. The result was that, for the first time, Koreans in New York City were accurately counted. And the result has been better municipal representation for that very sizeable ethnic population.

These are only a few examples of the hundreds of LPTV stations presently serving their communities. Our experience in this industry since 1982 tells us that they are not unusual; they are representative. We would be more than happy to provide any number of others, many of whom have been profiled in *The LPTV Report* or *Community Television Business*, and we invite the Commissioners to contact us at (414) 781-0188 should they wish to discover further evidence of the value of the LPTV service.

IV. Conclusion

Kompas and Biel believe that the LPTV service is too valuable a service to the public interest to be ignored any longer. The Commission should recognize this value and include LPTV stations in their ATV decision-making. We believe that to fail to include LPTV stations is tantamount to reneging on the Commission's mandate to serve the public interest and is contradictory to its stated intentions in its *Report and Order* authorizing the LPTV service.

LPTV stations should be given the opportunity to apply for remaining ATV spectrum after existing full power licensees and permittees have applied and before full power applicants have applied. If the Commission feels that the spectrum is too crowded to accommodate all of the nearly 1,800 LPTV stations now on the air, we believe that it would be in the public's best advantage to create a class of LPTV stations—perhaps following Congress's definition of a "qualified" LPTV station in the Cable Act of 1992—that are eligible to apply for ATV channels after existing full power licensees and permittees have applied.

Kompas and Biel respectfully request that the Commission revise its proposals in its *Fourth Further Notice of Proposed Rule Making and Third Notice of Inquiry* to accommodate LPTV broadcasters with an ATV channel.

Respectfully submitted,

KB Limited

By: John Kompas
John Kompas

By: Jackie Biel
Jackie Biel

Dated: November 15, 1995

APPENDIX

The following text is a study of the state of the LPTV industry conducted in 1994 by Dr. Mark J. Banks, Professor of Communications, Slippery Rock University, Slippery Rock, Pennsylvania. It was published in four parts in *Community Television Business.*

Kompas and Biel urge the Commissioners to read this Appendix in order to understand more fully the growth and present status of the LPTV industry and how it has fulfilled the objectives outlined in the FCC's *Report and Order* of March 4, 1982.

The State of the Low Power Television Industry

The State of the Low Power Television Industry (First of Four Parts)

-- By Dr. Mark J. Banks, Associate Professor, Slippery Rock University, Slippery Rock, Pennsylvania *(Text reprinted with permission)*

This is a report from the Fourth National Survey of LPTV Stations. Telephone interviews were conducted with owners or managers of 104 stations that were either single- or dual- LPTV licensees. Mail surveys were returned for another 25 stations that were clusters of three or more stations. Neither those stations owned by the Trinity Broadcasting Network nor the Alaska public LPTV systems were included. Those are being studied separately.

The survey reflects not only the continued growth of the medium, but also indicates some concerns and problems that affect the medium's overall stability.

In this first part, we take a look at an overall profile of the medium. In Part Two we will look at programming sources and practices. Part Three will discuss station markets and audiences, and Part Four will report financial considerations. In some instances, comparisons are made with the last national survey, conducted in 1990.

LPTV: A MATURING MEDIUM

When this survey was undertaken, according to FCC statistics, there were approximately 1,360 low-power stations granted licenses, serving some 640 communities. About 200 of those stations were licensed to religious organizations, and about 350 to commercial stations. There were 138 multiple-LPTV owners and 524 single station owners. The largest multiple owner is the State of Alaska with 242 stations, followed by the Trinity Broadcasting Network with 62 stations. The balance of multiple ownership ranged from two to eighteen stations.

From a list of stations provided by the Federal Communications Commission, we sampled 456, representing both single and multiple LPTV stations' licenses. We completed interviews for 129 stations. Among those we could not reach:

- 105 were unreachable by telephone
- 45 were answered with a tone, probably a fax machine, which we tried to interview by sending a faxed questionnaire
- 55 were persistent busy signals or no-answers, despite as many as ten callbacks at different times
- 29 refused to be interviewed
- 93 kept putting off the survey by not returning calls or not being available at prearranged callback times.

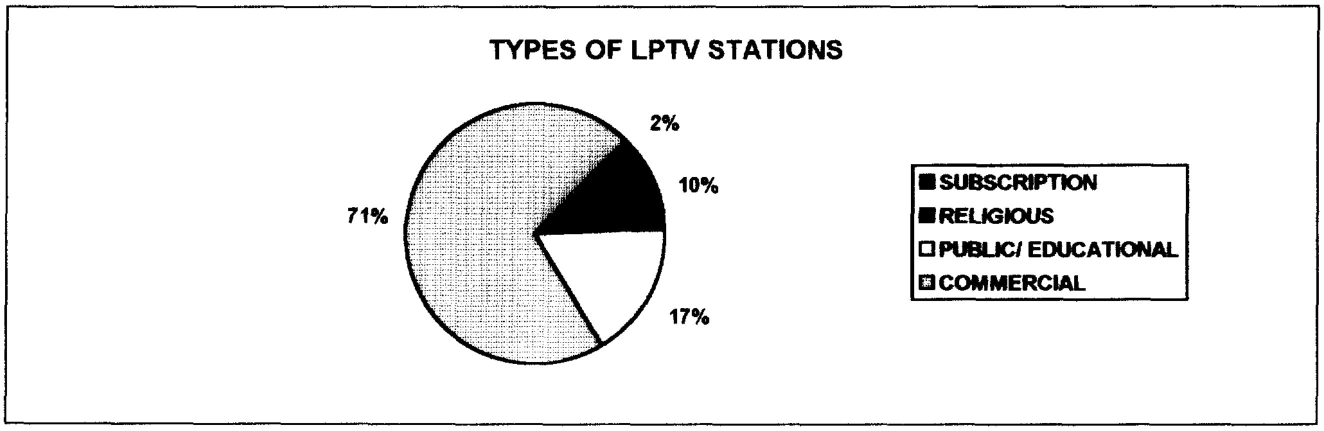
Two things give us concern in this list. The high number of refusals and "put-offs" tends to compromise the findings, although they do show that those stations actually exist. But the high number of unreachable stations leads us to believe that more than one-fifth of the stations we tried to reach are not on-the-air as LPTV stations, or they are automated translator facilities that do not operate in the full capacity of LPTV stations as the service was intended. Because we could not reach them, we do not know the percentages of either of these categories.

Among those stations we did reach, however, we see some encouraging things, particularly if we compare the findings with the 1990 survey. For one, the LPTV service is maturing. In 1990, the average number of years on-the-air for the stations we reached was 44.7 months, or slightly under four years. In this survey, that average has grown to 88 months, or 7.3 years.

Sixty-four percent of the stations do not carry another station's signal at all. Twenty-one percent carry another station's signal all the time, making them full-time translators. The remainder of the stations are part-time translators. In most instances, those that do translate carry the signals of either a commonly owned parent full-service television station, or are parts of a cluster of commonly owned LPTV stations that share programming. This will be fully discussed in the report on programming.

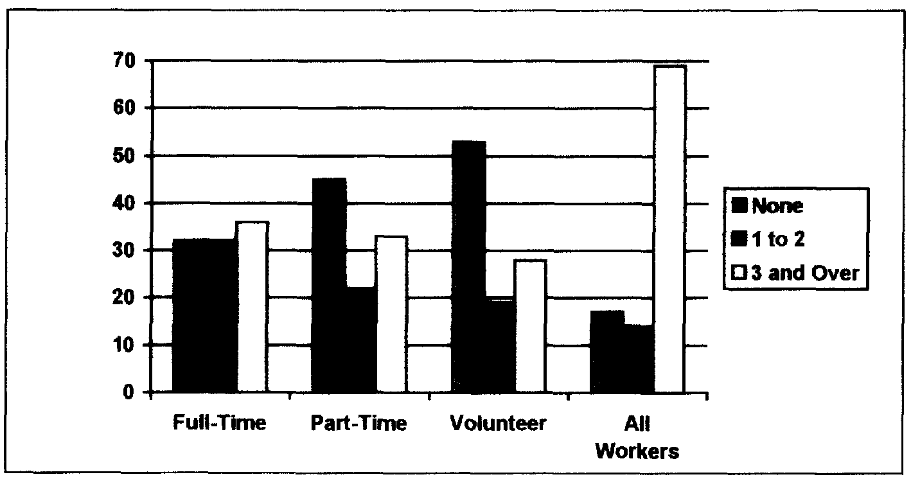
STATION TYPES

LPTV stations are mostly commercial stations, followed by public/educational, religious, and subscription. Keep in mind that these statistics exclude the Alaska and the Trinity networks. The figure below shows the breakdown of types of stations surveyed.



EMPLOYEES

The station respondents were asked how many employees they had. On average, they had 9.6 people working in a full-time, part-time, or volunteer status. Seventeen percent of the stations responded that they had no workers. Those stations were mostly the full-time translating stations. A breakdown of employees at the stations shows:



On average, they had 4.0 full-time employees, 1.9 part-time, and 3.6 volunteer employees.

OWNERSHIP

Clearly, most of the stations surveyed were privately owned (65%), with another 7% owned by corporations, 4% owned by the government, 6% by educational institutions, 10% by religious institutions, and the remaining 8% owned by other means, such as partnerships.

Many LPTV licensees share ownership in other media. Among those surveyed, 4% share ownership also in newspapers, 17% in radio stations, 14% in full-time television stations, and 48% share ownership in other LPTV stations. Among the LPTV ownership clusters there is an average of 5 stations. These findings suggest that multiple-LPTV ownership is prevalent, and the FCC statistics support this finding.

Minority ownership is low, despite the incentives promoted by the licensing procedure. Only 8% of the responding stations surveyed are Native-American, one is African-American, two are Hispanic, two are combined Hispanic and African American, and one would not identify the minority. The minority-owned station respondents were also asked what percentage of station ownership was minority held. The average was 88%. However, the number of minority-owned stations is so small in this sample that any statistics about them are highly unreliable.

It has been one of the primary goals of Congress and the FCC to stimulate minority ownership in the low power service through the weighting of the lottery. Unfortunately, the percentage of minority ownership does not seem to have changed over the years. In the 1988 survey, minorities owned 8.3%. In the 1990 survey, the number had grown to 12.4%. This survey's lower figure suggests that minority ownership has not grown, and that this is somewhere around one - tenth of the stations.

SUMMARY

In summary, the survey shows that the general state of the LPTV service is one of both some instability and some stability. Ownership is predominately commercial, and the number of licenses granted continues to grow; although the survey suggests that many of the previously licensed stations are not operating (and have not notified the FCC).

There seems to be a slightly growing number of stations that are part of LPTV networks sharing programming services.

Minority ownership is low in consideration of the incentives in the licensing process; although minority ownership of LPTV is still among the highest of all media.

Finally, those stations that have been on-the-air the longest seem to have stabilized an important "core" of the service, as the average number of operating years grows commensurably with the age of the service.

Part Two in this series will discuss findings from a survey about programming and operating practices.

The State of the Low Power Television Industry (Second of Four Parts)

-- By Dr. Mark J. Banks, Associate Professor, Slippery Rock University, Slippery Rock, Pennsylvania

This is part of a report from the Fourth National Survey of LPTV Stations. The first part showed an overall profile of the broadcast service. In this part, we will look at programming sources and practices. Part Three will discuss station markets and audiences, and Part Four will report financial considerations. In some instances, comparisons are made with previous national surveys, conducted in 1988, 1989, and 1990.

LPTV'S PROGRAMMING

The first part of this report showed, among other things, that the LPTV medium is varied in its ownership and type of stations, to include commercial, public, government-owned, religious, minority-owned, and a host of other configurations. It is not surprising, then, that the programming of LPTV is likewise varied. In this part of the report, we get a glimpse of the range of programming. Below are discussions of the amount, sources, and kinds of programming, and a bit about the costs of programs for stations.

LPTV stations are broadcasting more than ever. More than three-fourths (76.7%) of the LPTV stations surveyed were on the air 24 hours a day. Only 5% of the stations broadcast less than 12 hours a day. On average, the 129 stations surveyed were on-the-air 21.8 hours a day. These figures are slightly higher than the 1990 survey data.

SIMULTANEOUS REBROADCAST (TRANSLATORS)

Some stations do not fall entirely into the classification of translator. Stations were asked what percentage of their programming was the simultaneous rebroadcast of another station's signal. In the 1989 survey, 14% of stations said they did do some rebroadcast. The 1990 survey reported 18%, and this 1994 survey reports that number to have grown to 36%.

A closer look shows that of all the stations surveyed in 1994, 64% of them carried no simultaneous rebroadcast, 22% were exclusively translators with their programming being complete rebroadcasts of other stations. The remaining 6% of the stations that did some translating, programmed from as little as 4% to as much as 99% of their programming as simultaneous rebroadcast.

Another interesting finding is that 44% of those stations that carry complete simultaneous rebroadcast of other stations also share ownership in other LPTV stations, suggesting that some of the full-time translators are translating the signals of other LPTV stations. In other words, there may be a number of LPTV mini-networks emerging.

SATELLITE-DELIVERED PROGRAMMING

In the 1988 stations' survey, 87% of stations subscribed to at least one satellite-delivered service. In 1990, that number was 89%, but in this 1994 survey, the number had decreased to 55%.

Of the 71 stations who carry some satellite programming, they reported carrying that satellite programming an average of 67% of their programming schedule. This number is consistent with the 68% reported in the 1990 survey. In this 1994 survey, only 6% of the stations reported carrying satellite programming all of the time.

The stations who carried them identified over 40 satellite services. The largest of these were the Trinity Network, which was not studied by this survey. Of the remainder, the most frequently carried are shown below in descending order, with the percentage of affiliating stations in parentheses:

SATELLITE NETWORK	STATIONS CARRYING THE NETWORK
Channel America	24%
The Home Shopping Network	8%
Main Street Television (Now America One)	8%
American Independent Network	6%
All News Channel	3%
The Family Network	3%
The Learning Channel	3%
National Empowerment Television	3%

The rest were each identified by one station (1.5%)

- Country Music Television
- Fox Network
- Telemundo
- The Worship Network
- Sportscasting
- Eternal Word Television
- Catholic Telecommunications Network
- Raycom Sports Network
- 700 Club
- Tri-States Sports
- Illinois High School Sports
- WGN
- PBS
- Jefferson Pilot Sports
- Turner Network
- Disney
- Telestar
- Good News
- Rural TV
- Home Entertainment Network
- Travel Network
- Liberty Sports
- Keystone Network
- Inspiration Network
- World Harvest Network
- St. Louis Cardinals Baseball
- Warner

Almost 48% of all satellite users reported having affiliation with more than one satellite service.

SYNDICATED PROGRAMMING

In 1988, 36% of the stations used some syndicated programming. In 1989 that number grew to 54%, but in 1994, that number fell to 30%.

Most respondents named many of the well-known sources of syndicated programming, such as Warner, Turner, Paramount, Viacom, and MTM. But there were also many other sources named, including religious and sports programming.

LOCAL PROGRAMMING

In 1988, 63% of the stations surveyed reported they did some local programming. In 1990, 86% and in 1994, 63% said they do local programming. At first glance, it appears that low power stations are doing less local programming. However, the most surprising finding of this survey is that those stations doing local programming reported doing so in 33.6% of their programming schedule. This is a substantial increase from the 16% in 1988 and 1990.

In descending order, the most frequent types of local programming were:

Sports
News
Talk
Community Events Coverage
Public Affairs
Children's Programming

The stations producing local programming averaged 30% of the programming live and 70% taped. About 31% of the stations produce their own programming in a studio only, about 2% in the field only, and almost 67% reported using both studio and field production capability.

PROGRAMMING FOR SPECIAL POPULATIONS

A surprisingly large percentage of stations (42%) responded affirmatively when asked if they programmed specifically for a special demographic population. However, the respondents interpreted that question broadly, and the populations identified in descending order of number of mentions are:

[illegible]	[illegible]
Religious (general or specific)	8
Hispanics or Mexican-Americans	6
Rural or Farm	5
African-American	4
College Students	3
18-49 Age Group	3
Elderly or Mature Adult	3
Asian	2
Children	2
Family-orientated	2
Low income	2

[illegible]	[illegible]
Men (general or specific ages)	2
Military	2
Native American	2
Women (general or specific ages)	2
Homosexuals	1
Non-Cable users	1
35 and older	1
33-50 Age Group	1

COSTS OF PROGRAMMING

Overall payment by stations for programming varied widely. The average of all stations was $1,052 per month, with the highest amount being $20,000 per month. However, 37% of the stations reported paying nothing for programs, presumably getting them free, entirely through barter, or from a parent or host station. Among only those stations who did pay something for programming, the average cost per month was $2,835.

SUMMARY

LPTV continues to be a service that is torn between the need for strong local identity through local programming and the need for the economical efficiency (and for many, viability), that nationally-available programming provides.

While there is still a strong reliance on nationally-provided programming whether through satellite networks or syndicated services, and while the percentage of LPTV stations doing local programming seems to have diminished, those stations that are doing local programming are doing twice as much as reported in prior surveys. Moreover, many of those that are translating other stations seem to be relying on programming that is generated through co-owned LPTV clusters or mini-networks of their own. How extensive this is has not been determined by this survey.

LPTV is a television medium that has a strong element of programming for specific demographic populations, particularly for religious, ethnic, locale, and age-specific groups. In this manner, it seems to share identity with low-power radio stations.

A look at the list of station licenses by market suggests another development: the use of several low-power television stations in a market to provide several services to the same market by the same owner, much as cable or multi-channel microwave systems do. Although this seems to be a rather new development for LPTV, and is not extensive at this time, the evolution of this function will most certainly become part of the overall "information superhighway" mix that is emerging among all video services.

Part three will discuss findings from the survey about station markets and audiences.

The State of the Low Power Television Industry (Third of Four Parts)

-- By Dr. Mark J. Banks, Associate Professor, Slippery Rock University, Slippery Rock, Pennsylvania

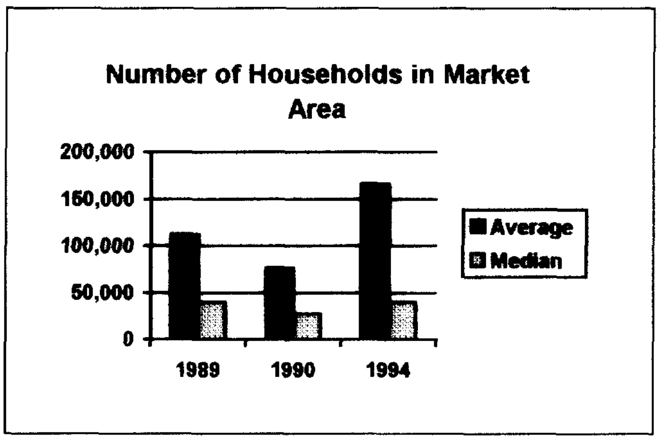
This is Part Three of a report from the Fourth National Survey of LPTV Stations. The first part showed an overall profile of the broadcast service, and Part Two reported programming sources and practice. In this part, we look at how station's identify their markets and ways that they have measured or solicited information from their audiences. Part Four will report financial considerations. In some instances, comparisons are made with previous national surveys, conducted in 1988, 1989, and 1990.

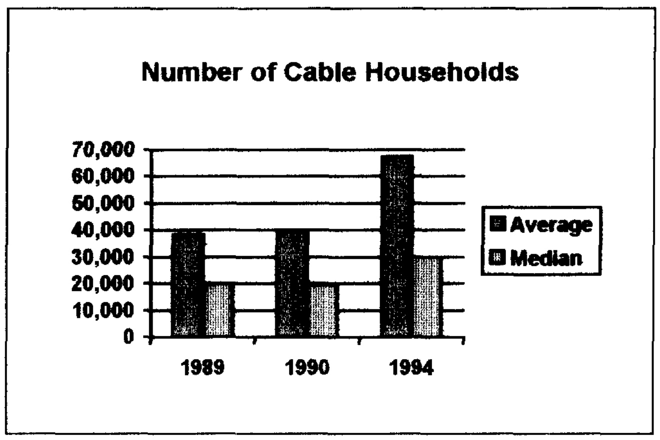
MARKET LOCATION AND SIZE

The low power television medium is, in many ways, a niche service, with the potential to provide specialized programming to specialized markets. As such, it is less amenable to being defined according to the traditional market dimensions, notably the markets defined by the full power television service and described by the Neilsen rating service as DMAs and centered around urban areas and county boundaries.

In the last report in this series, we found that 42% of the stations surveyed indicated they were programming for special demographic populations, identified across several categories, such as religious, ethnic, urban/rural, age, sex and audiences with special interests such as homosexuals, military, families, tourists, or college students. Such a diversity in programming markets reflects at least partial fulfillment of the medium's mission of service to local and specialized audiences, as intended by the FCC when it established LPTV service.

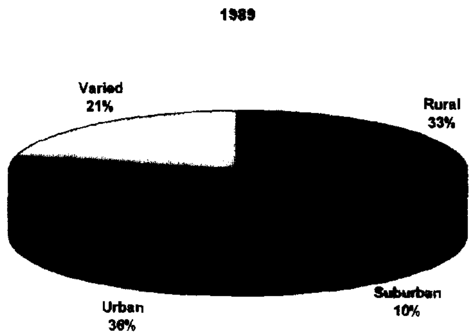
In the 1989, 1990, and 1994 surveys, several questions were asked of stations to ascertain characteristics of the stations' markets and audiences. The following shows a comparison of these responses:

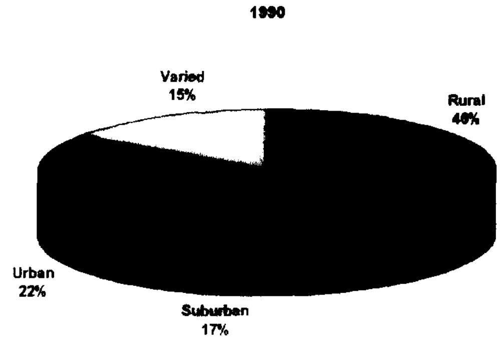


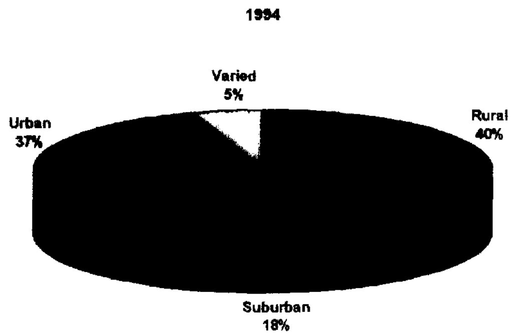


The size of LPTV station markets may be growing. Certainly the 1994 survey shows the largest average market size of all three studies, although the 1990 study showed a substantial dip in average size. If we look at the median size of station markets, a more stable picture appears. In that measure, half the stations reported market sizes lower than the number, and half higher. The larger average market size in both the 1989 and 1994 surveys may be reflected in a larger number of urban market stations surveyed. In the first and last survey, about 37% of the stations

MARKET LOCATION







reported being in urban markets, whereas, in the 1990 survey, only 22% of the stations identified themselves as being in urban markets. It is probably reasonable to say that, despite these variances, the LPTV industry seems to serve both rural and urban markets relatively equally. The strong representation of rural markets likewise reflects some success in the intention of the FCC when it founded the LPTV service to provide more local television to areas underserved by the full power medium.

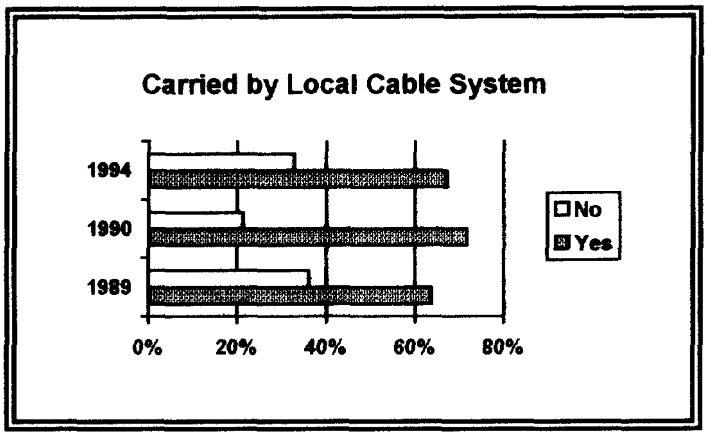
CARRIAGE BY CABLE SYSTEMS

As reported in prior reports, one of the crucial factors of success for community television is its carriage by local cable television systems. Because the LPTV signal has a limited coverage area, and because cable television has penetrated two-thirds and passes almost 97% of U.S. television homes, the carriage of LPTV by cable is often crucial to its market viability. The 1994 survey suggests a significant increase in the average number of cable households for those stations affiliated with cable systems. However, the percentage of LPTV stations carried by local systems seems to remain near the two-thirds mark across all three studies. This finding is in itself encouraging for the medium, reflecting a stability in carriage for LPTV despite the changes in the status of must-carry and the tumultuous relationship that cable has had with full power television over local carriage in recent years.

Simple cable carriage is a rather gross measure, so we asked stations how many cable systems there were in the market and, of those, how many carried the station. There were an average of 7.5 cable systems in the markets where LPTV stations were carried by cable. Those stations were carried by an average of 5.2 of them, suggesting that in markets where LPTV stations are carried by cable, the stations are carried by roughly 70% of the systems in the market.

The stations carried by cable were asked what arrangement they had with their cable systems. Only one percent of them leased a cable channel. Forty-nine percent were carried free by mutual agreement with the cable system. Thirty-four percent said they were carried under must-carry, which is puzzling because the current must-carry provisions do not affect a high percentage of LPTV stations. However, eight stations said that they pay to be carried on cable, and they may fit into this category. The remaining 16% did not know or did not answer.

Those eight stations that said they do pay to be carried on cable paid an average of $837.50 per month to be carried. The number of stations is so low, however, that we cannot regard this as a reliable measure.



The stations that were not carried by cable were asked why not. Overwhelmingly (73%), the reason came from the cable company's inability to carry the station because of a saturated channel capacity, or outright refusal. It is interesting that 19% of the non-carried LPTV stations were not carried because of reasons lying within the LPTV station itself. One station had not approached the cable system. Four others felt that their programming or schedule was either not good enough or appropriate for cable carriage, and one station said that its programming was too narrowly targeted for the broader cable market. Two stations were in the process of negotiating with the local cable carrier.

MARKET AUDIENCE MEASUREMENT

One of the difficult things for stations to do is to get reliable information about their audiences. This problem plagues any new medium. Advertiser-supported cable networks, for example, relied on measures of the number of subscribers at first. In a television broadcast system, which is dominated by market definitions for full-power television, defining and measuring the often smaller markets for a low power station is difficult, at best. Often it is impossible because of a lack of money to commission special market surveys or to pay for rating service special studies. Even defining the market is often difficult.

We asked stations what kinds of audience measures they used. Twenty percent used Arbitron ratings; 17.7% Neilsen, and 3.2% other services. Very few stations (6.5%) had commissioned an outside firm to do audience surveys, although 24% said they did surveys in-house. Forty-four percent said they rely on keeping track of phone calls and mail they have received. But another 44% of the stations said they did no audience research at all.

Most of these figures are moderately higher than similar data collected in the 1990 survey, indicating that as the LPTV medium matures, attention to getting reliable measures of its audiences increases.